

8. Executive Summary of Project

EchoBlue Rural Broadband, a joint venture between EchoStar Broadband II L.L.C. (“EchoStar”) and WildBlue Communications, Inc. (“WildBlue”), will build an advanced satellite system to provide next-generation broadband services to over 1.5 million rural homes, businesses and institutions. This broadband infrastructure project will provide even the most remote customers with download speeds up to 15 Mbps and upload speeds up to 5 Mbps. Like WildBlue’s current broadband service, this new service will be two-way over satellite with no landline required. Pricing will be comparable to that of wired and wireless services in urban areas. This project fulfills all five statutory purposes in the Recovery Act: A. it creates an estimated 47,000 direct and indirect jobs; B. many jobs created are in areas most impacted by the recession; C. the broadband service includes speeds and capacity to spur advances in science such as remote health care; D. the satellite infrastructure will provide long-term economic benefits; and E. the service reduces the burden on state and local governments to fund costly terrestrial projects to reach the most remote unserved customers at much higher cost per home served.

Opportunity: EchoBlue’s satellite will serve the entire 48 contiguous states, including all of the western deserts and the Rocky Mountain region. If not for EchoBlue’s satellite project, Native Americans, farm workers, miners, fishermen and other isolated and low income citizens in the least populated areas will be denied access to high speed Internet. EchoBlue will bring the economic and social benefits of distance learning, mobile medicine and entertainment to the most vulnerable and hard to reach families. Satellite technology is the only way to bring affordable high-speed Internet to the 10 to 15 million unserved American households, many in the most rural areas of the U.S. The economics of terrestrial wired and wireless technologies are highly dependent on population density. The cost per home passed increases dramatically, to the point of being entirely unaffordable, as the number of homes passed per node or tower diminishes. Satellite, on the other hand, connects virtually everyone regardless of population density or location. EchoBlue’s satellite project will allow the most disadvantaged Americans to share the benefits of high-speed broadband Internet enjoyed by those in urban areas.

Description of the proposed funded service areas: EchoBlue’s new satellite service will be available throughout the 48 contiguous states.

Households and businesses passed: Using the NOFA’s definitions, there are more than 15 million unserved homes and small/medium sized enterprises in the 48 contiguous states. EchoBlue’s satellite service will be available to all of these homes and businesses and will have the capacity to serve over 1.5 million customers.

Community anchor institutions, public safety entities, and critical community organizations: The new EchoBlue satellite service will be available to all community institutions and public safety providers in unserved and underserved areas. Over 400,000 customers use WildBlue’s current satellite service for home Internet, telecommuting, agriculture, home offices, park services and other uses.

Proposed services and applications: EchoBlue’s new satellite will provide high speed broadband services for residential customers, ranging from 1600 kbps x 400 kbps to 10 Mbps x 2 Mbps (download x upload). Service offerings will include email, web hosting and other features. These new service packages will support web surfing, file uploading and downloading, streaming audio and video, Voice over Internet Protocol (VoIP) and accelerated VPN. EchoBlue will provide full business-class services to home offices, enterprises and government customers

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at speeds up to 15 Mbps x 3 Mbps. The satellite system will also provide upload speeds of 5 Mbps for applications such as mobile medicine and distance learning.

Non-discrimination and interconnection obligations: EchoBlue commits to complying with FCC Internet Policy Statement 05-151. We will not favor any lawful Internet applications and content over others. EchoBlue will employ accepted technical methods and network management techniques to ensure the best quality of service to our customers, including application-neutral bandwidth allocation, measures to address spam, denial of service attacks, illegal content, and other harmful activities. EchoBlue will display its network management policies on its customer portal and will notify customers of any changes. The EchoBlue service will connect directly to the public Internet, allowing the open exchange of traffic with Internet users worldwide. EchoBlue will allow third-party resellers to offer EchoBlue services throughout the satellite coverage area subject to fair and reasonable rates and terms. EchoBlue may offer priority services for public safety, emergency and disaster recovery, and law enforcement. EchoBlue will maintain compliance with the Communications Assistance for Law Enforcement Act (CALEA) and all other applicable law.

Type of broadband system: EchoBlue will build an advanced high capacity satellite network employing the latest standards-based equipment, waveforms and protocols. EchoBlue will use established network equipment providers.

Qualifications of the applicant: WildBlue, one of EchoBlue's joint venture members, is a large satellite broadband provider with over 400,000 customers. EchoStar, together with DISH Network, provides direct to home satellite television to more than 13,000,000 customers. EchoStar operates a fleet of direct broadcast and fixed satellite service satellites. EchoStar also provides all of DISH Network's outdoor units, set-top boxes, broadcast centers and other infrastructure. EchoStar is also headquartered in Denver area. WildBlue focuses exclusively on providing broadband to unserved and underserved homes and businesses in rural areas and has highly capable satellite design, systems engineering, communications, technical support and business operations teams. WildBlue operates on the Anik F2 and WildBlue-1 satellites and leases capacity on AMC-15.

Expected subscriber projections: Using current satellite broadband consumption and growth rates, and projecting out to the 2013-2027 timeframe, the new satellite is expected to serve approximately 1.5M subscribers. The new EchoBlue satellite is extraordinarily cost effective compared to terrestrial alternatives in rural areas, providing modern high speed broadband service for an infrastructure cost of less than \$35 per rural unserved home passed and for less than \$366 per home served.

Number of jobs estimated to be created or saved: EchoBlue's satellite project will result in substantial creation and retention of American jobs, including both high technology aerospace jobs as well as critical essential function jobs such as installers and customer service agents. The satellite and a majority of its components will be manufactured here in the U.S., funding an estimated 3,000 high technology jobs. The operational satellite, fully loaded with subscribers, will enable an estimated 47,000 jobs in the aerospace, technical and engineering, customer care, fulfillment and sales sectors of the economy. Importantly, nearly all of the customer care, fulfillment and sales jobs will be based in rural communities across the US.